



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

For Immediate Release: September 15, 2009

August Revenue Collections Force Continued Cutbacks
Five-percent reduction in monthly allocations ordered for state government

OKLAHOMA CITY – State revenue collections for August came in below prior year collections and the official estimate reflecting the impact of lower energy prices and the nationwide recession on Oklahoma’s economy, State Treasurer Scott Meacham announced today.

For a second, consecutive month the less-than-estimated collections forced state officials to order a five-percent across-the-board cut in budget allocations to all state agencies.

Preliminary reports for collections in the month of August show General Revenue Fund collections totaled \$335.2 million. That amount is:

- \$154.9 million or 31.6 percent below the prior year; and
- \$131.3 million or 28.2 percent below the estimate.

State Finance Director Michael Clingman ordered a continuation of the five-percent cutback in allocations to each state agency that was instituted in August. The five-percent reduction in September’s allocation of annual appropriations represents a total cut of \$21 million for the month.

“September allocations are being reduced by five percent today due to the less than anticipated collections for the month of August,” Clingman said. “As we did last month, we were able to minimize the impact of the collections shortfall this month by transferring cash reserves.”

Treasurer Meacham said he and Governor Henry continue to meet with legislative leaders to discuss managing the shortfall in the coming months.

“We are still closely watching monthly collections,” Meacham said. “Until state revenues begin to rebound, we are making plans to ensure government services are not adversely impacted.”

(more)

The Rainy Day Fund currently contains \$596.6 million. The state constitution allows up to three-eighths of the fund, or \$223.7 million, to be used for budget stabilization for the current fiscal year. A like amount can also be used for a reduction in certification from one year to the next. An additional 25 percent, or \$149.15 million, could also be accessed through emergency declaration.

Net income taxes, a combination of personal and corporate income taxes, produced \$120.2 million in August, which is \$35.8 million or 22.9 percent below the prior year and \$36.8 million or 23.5 percent below the estimate.

Personal income tax collections for the month are \$120.2 million. That is \$32.2 million or 21.1 percent below the prior year and \$32.7 million or 21.4 percent below the estimate. After refunds were paid for the month, corporate income tax collections were recorded as zero. In August of last year, corporate income tax collections totaled \$3.6 million.

Gross production taxes on natural gas yielded \$20.8 million for the month, which is \$75.8 million or 78.5 percent below the prior year and \$48.3 million or 69.9 percent below the estimate.

The state sales tax produced \$127.5 million in August, which is \$25.4 million or 16.6 percent below the prior year and \$35.4 million or 21.7 percent below the estimate.

Motor vehicle taxes produced \$7.8 million, which is \$10.3 million or 57 percent below the prior year and \$6.7 million or 46.5 percent below the estimate.

Investments by the treasurer's office yielded \$9.5 million in July. That is \$4.3 million below the prior year.

Other revenue, including investment earnings along with taxes on insurance, inheritance, alcoholic beverages and others, produced \$59 million for the month. This is \$7.6 million or 11.4 percent below the prior year and \$4.1 million or 6.6 percent below the estimate.

For the first two months of the fiscal year, General Revenue Fund collections total \$672 million. This is \$275.3 million or 29.1 percent below the prior year and \$209.7 million or 23.8 percent below the estimate.

###

For more information contact:

Tim Allen, Deputy Treasurer for Policy and Administration, (405) 522-4212

General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY

MONTHLY COMPARISON

SUMMARY July 2009

(In \$ millions)	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	July 2008	July 2009	\$	%
Net Income Tax	155.9	120.2	-35.8	-22.9%
Gross Production	96.6	20.8	-75.8	-78.5%
Sales Tax	152.9	127.5	-25.4	-16.6%
Motor Vehicle	18.0	7.8	-10.3	-57.0%
Subtotal: Major Taxes	423.5	276.2	-147.3	-34.8%
Other Sources (1)	66.6	59.0	-7.6	-11.4%
TOTAL GEN REVENUE	490.1	335.2	-154.9	-31.6%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	490.1	335.2	-154.9	-31.6%

PRELIMINARY

2 MONTH YEAR TO DATE

SUMMARY July 2009

(In \$ millions)	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	Thru July 2008	Thru July 2009	\$	%
Net Income Tax	314.5	252.7	-61.8	-19.7%
Gross Production	186.6	42.9	-143.7	-77.0%
Sales Tax	294.5	256.9	-37.6	-12.8%
Motor Vehicle	37.6	18.7	-19.0	-50.4%
Subtotal: Major Taxes	833.3	571.1	-262.1	-31.5%
Other Sources (1)	114.0	100.8	-13.2	-11.6%
TOTAL GEN REVENUE	947.3	672.0	-275.3	-29.1%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	947.3	672.0	-275.3	-29.1%

(1) Other sources revenue estimated pending final accounting.

(2) Recurring revenue after subtracting one-time funds.

Details may not sum due to rounding.

General Revenue Comparisons With Estimate

CHART II

PRELIMINARY

(In \$ millions)	MONTHLY COMPARISON		SUMMARY July 2009	
	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	July 2009	July 2009	\$	%
Net Income Tax	157.0	120.2	-36.8	-23.5%
Gross Production	69.0	20.8	-48.3	-69.9%
Sales Tax	162.8	127.5	-35.4	-21.7%
Motor Vehicle	14.5	7.8	-6.7	-46.5%
Subtotal: Major Taxes	403.4	276.2	-127.2	-31.5%
Other Sources (1)	63.2	59.0	-4.1	-6.6%
TOTAL GEN REVENUE	466.6	335.2	-131.3	-28.2%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	466.6	335.2	-131.3	-28.2%

PRELIMINARY

(In \$ millions)	2 MONTH YEAR TO DATE		SUMMARY July 2009	
	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	Thru July 2009	Thru July 2009	\$	%
Net Income Tax	294.4	252.7	-41.7	-14.2%
Gross Production	133.3	42.9	-90.4	-67.8%
Sales Tax	313.6	256.9	-56.8	-18.1%
Motor Vehicle	30.3	18.7	-11.6	-38.3%
Subtotal: Major Taxes	771.7	571.1	-200.5	-26.0%
Other Sources (1)	110.0	100.8	-9.1	-8.3%
TOTAL GEN REVENUE	881.6	672.0	-209.7	-23.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	881.6	672.0	-209.7	-23.8%

(1) Other sources revenue estimated pending final accounting.

(2) Recurring revenue after subtracting one-time funds.

Details may not sum due to rounding.

Office of the State Treasurer